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BEFORE THE  
U.S. DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION  
DOCKET SECTION  
31 APR 1 11:03 AM

Application of

SUNWORLD INTERNATIONAL AIRLINES, INC. :

for a Certificate of Public  
Convenience and Necessity for  
Interstate and Overseas Air  
Transportation pursuant  
to 49 U.S.C. § 41102.

Docket OST-95-666 - 14

Application of

SUNWORLD INTERNATIONAL AIRLINES, INC. :

for a Certificate of Public  
Convenience and Necessity for  
foreign air transportation  
pursuant to 49 U.S.C. § 41102.  
(U.S.-Grand Cayman Island, West Indies):

Docket OST-95-667 - //

APPLICATION OF  
SUNWORLD INTERNATIONAL AIRLINES, INC.  
FOR AN EXEMPTION

AND

MOTION FOR IMMEDIATE ACTION AND  
WAIVER OF THE ANSWER PERIOD

Communications with respect to  
this document should be sent to:

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Counsel to Sunworld  
International Airlines, Inc.

March 1, 1996

**NOTICE:** Sunworld is requesting, by motion filed as part of  
this application, that the Department waive the  
fifteen-day answer period and take immediate action  
on this exemption application.

11 pgs.

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**APPLICATION OF  
SUNWORLD INTERNATIONAL AIRLINES, INC.  
FOR AN EXEMPTION**

**AND**

**MOTION FOR IMMEDIATE ACTION AND  
WAIVER OF THE ANSWER PERIOD**

In accordance with the requirements of Subpart D of the Department's Rules of Practice, **Sunworld** International Airlines, Inc. ("**Sunworld**") hereby applies for an exemption from the requirements of Section 201.5 of the Department's regulations to the extent necessary to enable it, on an immediate basis, to engage in the following:

- (1) To advertise flights and list schedules for **Sun-**world scheduled flights to be operated on and after March 17, 1996;

(2) To accept **reservations**<sup>1/</sup> for **Sunworld** scheduled flights to be operated on and after March 17, 1996; and

(3) To enter into contracts with charter operators and receive contract deposits for charter flights to be performed by **Sunworld** on and after March 17, 1996.<sup>2/</sup>

In support of this application, **Sunworld** shows as follows:

1. On September 18, 1995, **Sunworld** filed an application for a certificate of public convenience and necessity authorizing interstate and overseas air transportation of persons, property and mail (Docket **OST-95-666**), as well as an application for scheduled and charter foreign air transportation between a point or points in the United States and Grand **Cayman** Island, West Indies (Docket **OST-95-667**). On February 29, 1996, the Department tentatively found **Sunworld** fit, willing, and able to provide interstate and foreign scheduled

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1. **Sunworld** will accept reservations only, and will not receive payments until after the issuance of its effective certificates.
  2. With respect to charter contracts and payments, **Sunworld** agrees to abide by the following consumer protection requirements: (1) no passenger funds paid into a charter operator's escrow account will be transferred to **Sunworld's** escrow account before **Sunworld** has been granted all required authority from the Department; (2) the contract between the charter operator and **Sunworld** and all advertising materials will state that **Sunworld's** operations are subject to receipt of government authority; (3) the operator-participant contract provided by the charter operator will state that **Sunworld** or another authorized air carrier will perform the purchased flight; and (4) if **Sunworld** is unable to perform under the charter contract, it will be responsible for obtaining substitute air transportation at its own cost.

With respect to scheduled service, **Sunworld** agrees to abide by the Department's requirements relating to advertising, listing schedules, and accepting reservations as set forth in previous exemptions (see infra p. 6-7).

air transportation of persons, property and mail as a certificated carrier. **Sunworld** intends to initiate operations on or about March 17, 1996, subject to the issuance of effective certificates by the Department of Transportation and the Federal Aviation Administration ("**FAA**") -- operating authorities for which it has applied.

2. **Sunworld** has made significant progress towards implementing its business plan and achieving the necessary regulatory authorities. As of March 1, 1996, the major elements of the **Sunworld** business plan have already been implemented:

A. **Financial/Equity Issues.** **Sunworld's** president, Mr. William J. Yung, has pledged \$3.5 million toward the startup costs of **Sunworld** (see Supplemental Submission of **Sunworld** dated October 13, 1995). This financial commitment should provide **Sunworld** with adequate liquidity to support its startup expenditures as well as three months of initial operations as required by the Department.

B. **Aircraft Leases.** **Sunworld** has recently accepted delivery of one leased Boeing 727-200 aircraft. The required modifications to the aircraft livery and interior configuration have already been completed. **Sunworld** anticipates that it will complete the necessary proving runs, evacuation drills and other FAA certification procedures on or about March 15, 1996. The latest FAA schedule of events for **Sunworld** calls for evacuation and ditching demonstrations to be

accomplished between March 6-8, 1996, with proving flights scheduled for March 11-15, 1996.

C. Airport Facilities/Services. **Sunworld** has entered into agreements with air carriers at each airport that it intends to serve for airport, passenger, and ground handling services.

D. Employee Hiring and Training. **Sunworld** has completed the hiring process for its flight crews and flight attendants. Pilot training has commenced and is expected to be completed on or about March 7, 1996, while flight attendant training was completed on February 2, 1996.

E. F.A.A. Issues. **Sunworld** has submitted to the FAA Flight Standards District Office in Louisville, KY its application for an operating certificate as well as its maintenance program and is working closely with its Principal Operations Inspector, Mr. Robert W. Patterson (telephone number (502) 582-5941), to provide the FAA with the necessary information and materials required in order to obtain the required FAA approvals. **Sunworld** anticipates that it will complete the FAA approval process on or about March 15, 1996.

**Sunworld** has contracted with TIMCO, a large Part 145 certificated repair station, to provide total maintenance support including maintenance program administration; **record-**keeping; spare parts purchasing and provisions; tracking of components, airworthiness directives, service bulletins, inspection items, CPCP requirements, and component reliability studies; as well as the required maintenance for **its air-**

craft. **Sunworld** has also arranged with the Flight Safety Foundation to provide ongoing safety and compliance audits to ensure compliance with both the FAA requirements and company operating procedures and manuals.

F. Reservation System. **Sunworld** has in its possession both the hardware and software for an effective reservation system.

3. In recent years, the Department has granted exemptions from Section 201.5 of the regulations to startup carriers seeking, inter alia, to advertise flights, list schedules with the Official Airline Guide and computer reservation systems, accept reservations and enter into charter contracts prior to the issuance of an effective operating certificate by the Department."/ See Application of Frontier Airlines, Order 94-8-16; Application of Western Pacific Airlines, Order 95-5-22; Application of Air South, Order 94-9-15; and Application of Reno Air, Order 92-7-2. As **Sunworld's** application has not been contested by any other **party**, **Sunworld** believes that it would be entirely appropriate for the Department to grant the within application for an exemption without delay, and without awaiting the issuance of a final order in connection with its certificate applications.

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3. Since **Sunworld** will not be accepting passenger payments or issuing tickets prior to the issuance of its effective certificate, the usual conditions required by the Department with respect to the escrowing of passenger funds for scheduled service should not be necessary.

4. In granting such exemptions, the Department has imposed certain consumer protection conditions on carriers seeking such authority. As **Sunworld** will not be accepting payments until the issuance of its effective certificates -- and no consumer funds will be at risk -- the only condition applicable to **Sunworld** would be the requirement that advertising materials must include a notice to consumers that "service is subject to receipt of all government operating authority." **Sunworld** agrees to abide by this consumer protection provision if granted the within exemption from Section 201.5 of the Department's regulations.

5. Given **Sunworld's** level of capitalization, state of readiness and willingness to accept the Department's consumer protection conditions as well as the above-mentioned exemptions granted previously by the Department to similarly situated startup carriers, **Sunworld** submits that it is entirely appropriate to grant this requested exemption in order to permit **Sunworld** to begin listing schedules, advertising and accepting reservations, on an immediate basis, for the scheduled service it intends to initiate on or about March 17, 1996, and to permit it to enter into contracts with charter operators for charter flights to be performed by **Sunworld** beginning on or about March 17, 1996.

Grant of this exemption would enable **Sunworld** to meet the peak late winter season demand for travel to the **Cayman** Islands by **U.S.-** originating passengers and to give travelers additional air service opportunities without placing **passen-**

ger funds at risk and would, therefore, serve the public interest.

**Motion for Immediate Action  
and  
Waiver of the Answer Period**

**Sunworld** respectfully seeks immediate action on this application and requests that the Department waive the **fifteen-** day response period for answers to this application. There have been no objections to either of **Sunworld's** certificate applications and **Sunworld** has no reason to believe that the within exemption application would be challenged by any other party. Grant of this motion will allow **Sunworld** an additional period to advertise, list schedules, and to accept passenger reservations in anticipation of its inaugural flights.



WHEREFORE, for the foregoing reasons, **Sunworld International Airlines, Inc.** respectfully requests that the Department of Transportation grant its request for an exemption from Section 201.5 of the Department's Regulations and its motion for immediate action as more fully described herein.

Respectfully submitted,

  
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Robert Reed Gray

  
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John E. Gillick

  
\_\_\_\_\_  
Joshua I. Romanow

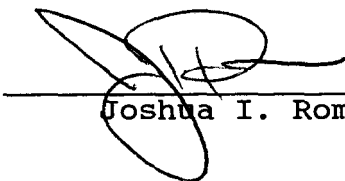
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March 1, 1996

Certificate of Service

I hereby certify that I have on this day served a copy of the foregoing application for an exemption on the persons set forth on the attached list by first class mail in accordance with the Department's regulations.



---

Joshua I. Romanow

Washington, D.C.  
March 1, 1996

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Virgin Island Port Authority  
P.O. Box 1707  
St. Thomas, VI 00803

Gordon A. Finch  
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